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INTELLIGENCE MEMORANDUM

The Situation in South Vietnam (As of 4:00 PM EST)

- l. General Thi appears to have agreed to coperate with Premier Ky in helping to quiet agitation aroused by his dismissal as I Corps commander. Thi's public statements made in Da Nang since his arrival there today have all been in a helpful vein, except for one sarcastic reference to his "sinus trouble" causing things to "smell bad." He did thank his followers for their loyal support, but admonished them to look to the higher interests of the nation and to settle down. He also stressed his continued friendship with Ky.
- 2. Whether self-seeking political and Buddhist elements will be able to influence Thi adversely during his scheduled visit of about two days in I Corps is not known. These elements, far from committed to Thi, are seeking to promote his dismissal as an issue to use against the government to advance their own ends. Premier Ky has admitted that permitting Thi's return to I Corps is a calculated risk, but believes on balance that it will be helpful to undercut government critics.
- 3. Peaceful rallies, each attended by some 10,000 Buddhists, took place today in both Hue and Saigon, the latter the first such demonstration in the capital as a result of Thi's dismissal. There is as yet no official reporting on the Saigon meeting, and press accounts differ as to whether the tone of remarks made by a ranking Buddhist monk were in a moderate or inflammatory vein.